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*This announcement, for which the Directors of Shandong Molong Petroleum Machinery Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Shandong Molong Petroleum Machinery Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



**山東墨龍石油機械股份有限公司**

Shandong Molong Petroleum Machinery Company Limited \*

*(A Sino-foreign joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 8261)**

## **NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES**

**NOTICE IS HEREBY GIVEN THAT** a class meeting (the “**Class Meeting**”) of the holders of the H Shares of Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) will be held at No. 99 Beihai Road, Shouguang City, Shandong Province, the People’s Republic of China on 5 December 2006 at 10:00 a.m. for the purposes of considering and, if thought fit, with or without modification, passing the following special resolution:

### **SPECIAL RESOLUTION**

“**THAT** conditional upon (1) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, on the main board (the “**Main Board**”) of the Stock Exchange the 246,276,000 H Shares of RMB0.10 each in the issued share capital of the Company (the “**H Shares**”) (the “**Proposed Introduction**”); (2) the China Securities Regulatory Commission granting approval of the listing of the H Shares on the Main Board; (3) the publication by the Company of a notice in respect of the proposed withdrawal of listing of the H Shares on the Growth Enterprise Market of the Stock Exchange (“**GEM**”) (the “**Proposed Withdrawal**”) which shall be published at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal; (4) the GEM Listing Committee of the Stock Exchange granting a waiver for the reduction of the notice period required under Rule 9.19(3) to at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal and the fulfillment of such waiver by the Company; and (5) the obtaining of all other relevant consents (if any) which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and the fulfillment of all conditions which may

be attached to such consents, the Proposed Introduction be and is hereby approved and confirmed; the listing of the H Shares on GEM shall cease with effect from such date and time as the directors of the Company (“**Directors**”) may designate and any Director or the company secretary of the Company be and is hereby authorised generally to do all such acts for and on behalf of the Company as he/she may deem necessary, desirable or expedient to effect and implement the foregoing; and the notice period required under Rule 9.19(3) of the Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange in connection with the Proposed Withdrawal be reduced to at least five clear business days from the date on which the shareholders of the Company shall have approved the Proposed Withdrawal.”

By Order of the Board  
**Shandong Molong Petroleum Machinery Company Limited**  
**Zhang En Rong**  
*Chairman*

Shandong, 19 October 2006  
The People’s Republic of China

**Notes:**

- (A) The H Share register of the Company will be closed from 5 November 2006 to 5 December 2006 (both days inclusive), during which no transfer of H Shares will be effected. Any holders of H Shares of the Company, whose names appear on the Company’s H Share Register at the close of business on 3 November 2006, are entitled to attend and vote at the Class Meeting after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the Class Meeting, share transfer documents should be lodged with the Company’s H Share registrar not later than 4:00 p.m. on 3 November 2006.

The address of the Company’s H Share registrar, Tricor Investor Services Limited, is as follows:

26th Floor  
Tesbury Centre  
28 Queen’s Road East  
Hong Kong

- (B) Holders of H Shares, who intend to attend the Class Meeting, must complete the reply slips for attending the Class Meeting and return them to the Company’s H Share registrar, Tricor Investor Services Limited not later than 20 days before the date of the Class Meeting, i.e. no later than 14 November 2006.
- (C) Each holder of H Shares who has the right to attend and vote at the Class Meeting is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on his behalf at the Class Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.
- (E) To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company’s H Share registrar, Tricor Investor Services Limited, on the 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, not less than 24 hours before the time for holding the Class Meeting or any adjournment thereof in order for such documents to be valid.

- (F) If a proxy attends the Class Meeting on behalf of a shareholder, he should produce his ID card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a legal person shareholder attends the Class Meeting, such legal representative should produce his/her ID card and valid documents evidencing his capacity as such legal representative. If a legal person shareholder appoints a representative of a company other than its legal representative to attend the Class Meeting, such representative should produce his ID card and an authorization instrument affixed with the seal of the legal person shareholder and duly signed by its legal representative.
- (G) The Class Meeting is expected to last for half a day. Shareholders attending the Class Meeting are responsible for their own transportation and accommodation expenses.

*As at the date of this announcement, the executive Directors of the Company are Zhang En Rong, Lin Fu Long, Zhang Yun San, Xie Xin Cang; the non-executive Directors are Chen Jian Xiong and Wang Ping; and the independent non-executive Directors are Qin Xue Chang, Yan Yi Zhuang and Loke Yu alias Loke Hoi Lam.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting.*

*\* For identification purpose only*